Iowa Farm Science

Volume 21 | Number 12 Article 7

6-1967

Farm Outlook

Gene Futrell
Iowa State University

Robert Wisner
Iowa State University

FARM OUTLOOK

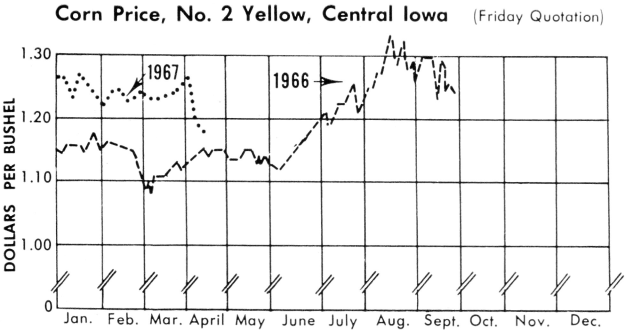
CORN . . .

Utilization of corn for feed in the first half of the marketing year was about 1 percent lower than a year earlier. Reasons for the decrease include less favorable livestock-feed price ratios than last year and substitution of other feed grains for corn. Total exports were about 29 percent below the same period a year ago.

For April through September, reduced livestock numbers and expected lower marketing weights should keep domestic corn utilization a little below 1965-66 levels. Competition from excellent corn crops in the southern hemisphere is expected to hold exports well below last year's levels.

Early May prices in Central Iowa were approximately $1.20 per bushel—6 cents above a year earlier. Short-term price movements through the summer will be quite sensitive to weather conditions and possible changes in utilization rates. Unusually favorable growing con-

Corn Price, No. 2 Yellow, Central Iowa (Friday Quotation)

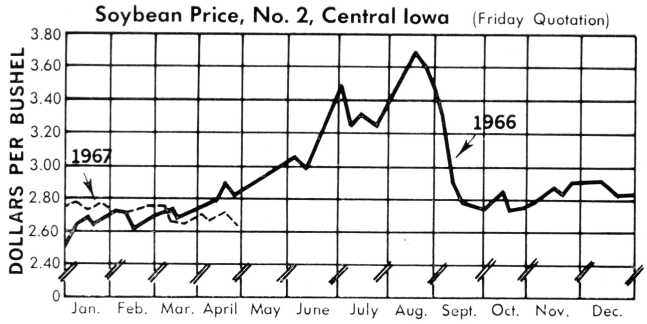


ditions, unexpected decreases in utilization, or a larger feed grain acreage than indicated by planting intentions could weaken prices. Alternatively, unfavorable weather over much of the Corn Belt, or unexpected increases in utilization could bring short-term price strength.

SOYBEANS . . .

Early May soybean prices in Central Iowa were about $2.65 per bushel — 3

Soybean Price, No. 2, Central Iowa (Friday Quotation)



cents below a year ago. Utilization in the first 7 months of the marketing year was up 1 percent from 1965-66 levels. An increase in the domestic crush offset reduced exports during the current market year.

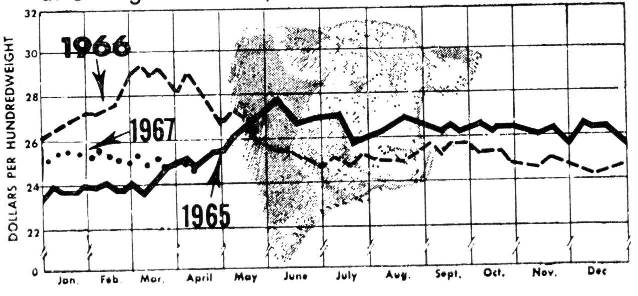
Domestic soybean meal utilization was up 4 percent as a result of smaller cottonseed meal supplies and increased animal numbers. Cumulative meal exports were down 7 percent, while oil exports were about 4% below a year earlier. Domestic oil consumption was about 9 percent above the same period last year.

Current conditions suggest the crush rate is not likely to change much through the summer, while exports may be somewhat below September-March levels. Accordingly, the soybean carryover on September 1 is expected to approach 106 million bushels, compared with 36 million last year. Unless unexpected changes in utilization or poor production prospects occur, soybean prices are likely to remain near the $2.65-$2.75 range into summer. If acreage is at the expected level (up 9%) and weather conditions are average or better, prices next fall are likely to be near the loan rate.

CATTLE . . .

Cattle slaughter under Federal Inspection during the first four months of the year was 4 percent above a year earlier. The increase was entirely in fed cattle, as cow slaughter during the same period was down about 14 percent. The weight distribution of cattle on feed April 1

Weekly Average Prices of Choice Slaughter Steers at Chicago - 900 - 1,100 Lbs.



indicated fed cattle marketings would continue above last year into mid-summer. In August and September, the volume of fed cattle may be about the same as a year ago, with marketings in the final quarter of the year a little below 1966 levels.

Slaughter of cows and other non-fed cattle is expected to continue below a year earlier — provided range and pasture conditions are reasonably good. If so, total beef supplies should be below last year during the final 4 or 5 months of this year.

Heavier market weights added to the pressure on cattle prices during the past year. Average weight of slaughter steers at 7 terminal markets during the first 4 months of 1967 was nearly 20 pounds per head heavier than a year earlier. A shift to lighter market weights during the next few months would improve chances for price strength.

Cattle prices also will be influenced by supplies of other meats, by-product values, beef imports and other factors. Supplies of pork and poultry will be above 1966 levels this summer. Beef imports this year may be below earlier expectations, according to recent estimates. Also on the positive side are prospects that demand for beef will continue relatively strong.

Prices for Choice steers are expected to show at least moderate strength during the June-September period. If fed cattle marketings decline moderately from a year earlier, as expected, further price gains are likely in the October-December quarter. This should raise average prices for Choice steers at Chicago, to around $26 to $27 during that period.

HOGS . . .

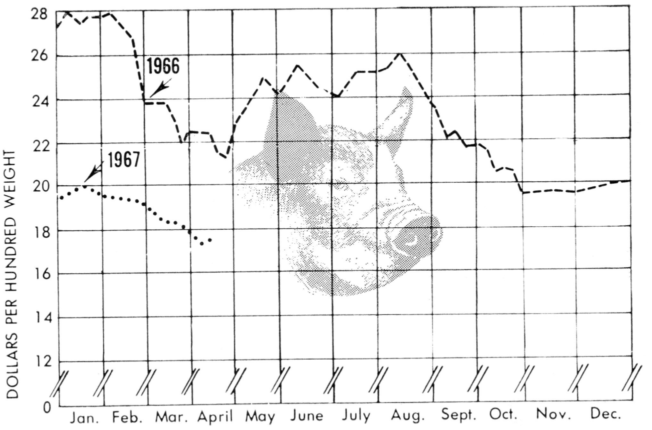
Hog marketings during the first four months of 1967 were much larger than expected. Federally inspected slaughter for the period was 20 percent above a year earlier, in contrast to a 10 to 12 percent gain indicated by farrowing estimates and inventory data.

Hog prices declined around $2.50 per cwt. from mid-February to mid-April. But prices made sharp gains in late April and early May. By the second week of May, U.S. No. 1 to 3, 200 to 230-lb. barrows and gilts were selling at Interior Iowa markets from $21 to $22.50 per cwt. This was $4 above a month earlier and $1 below last year.

Marketings from June to September will be 4 to 5 percent above last year, according to the present indications. The seasonal decline in volume, however, should result in further price strength into mid-summer. But July-August prices are likely to be $1 or more below a year earlier — where weekly averages for 200 to 230-lb. butchers ranged from $24.30 to $25.95.

In March, hog producers in 10 Corn Belt states indicated plans to reduce

Weekly Average Price of Barrows and Gilts, Interior Iowa & So. Minn., 200 - 240 Lbs.



March-May sow farrowings by 3 percent from the previous year. If actual farrowings are down, marketings in the October-December period will be a little below 1966 levels. Cattle prices in that period may be stronger than in 1966 as well. This combination should keep average hog prices later this year somewhat above a year earlier.

— Gene Futrell and Robert Wisner